

How the National Flood Insurance Program (NFIP) Works¹

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The Federal Insurance and Mitigation Administration (FIMA) makes flood insurance available in areas where the appropriate public body has adopted adequate floodplain management regulations for its flood-prone areas. Community participation is voluntary, although some states require NFIP participation as part of their floodplain management program. Communities who wish to participate in the NFIP must fulfill two phases:

- Phase 1. Emergency Program of the NFIP
- Phase 2. Regular Program of the NFIP

Phase 1. Emergency Program of the NFIP -- Initial Phase of Community Participation

1. Community applies to participate in the NFIP:

a. Through community interest in flood insurance, or

b. Notification from FEMA that it contains one or more Special Flood Hazard Areas (SFHA). Application includes adopted resolutions or ordinances to minimally regulate new construction in SFHA.*

*A flood-prone community that does not apply for participation in the NFIP within 1 year of notification is ineligible for federal or federally-related financial assistance for acquisition, construction or reconstruction of insurable buildings in the SFHA.

2. FEMA authorizes the sale of flood insurance in the community up to the [Emergency Program limits](#). FEMA assesses the community's degree of flood risk and development potential.

3. If appropriate, FEMA arranges for a study of the community to determine base flood elevations and flood risk zones. Consultation with the community occurs at the start of and during the study. Communities with minimal or no flood risk are converted to the Regular Program without a study.

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Table 1.

Emergency Program Flood Insurance Coverage Limits		
	Building	Contents
Single family dwelling	35,000*	10,000
Other residential	100,000*	10,000
Non-residential	100,000*	100,000
* Under the Emergency Program, higher limits of building coverage are available in Alaska, Hawaii, the U.S. Virgin Islands, and Guam.		

4. FEMA provides the studied community with a Flood Insurance Rate Map delineating base flood elevations and flood risk zones. The community has 6 months to adopt base flood elevations in local zoning and building code ordinances, and to meet other requirements.

5. Community adopts more stringent ordinances, and FEMA converts the community to NFIP's Regular Program (below).

Phase 2. Regular Program of the NFIP

1. FEMA authorizes the sale of additional flood insurance in the community up to the [Regular Program limits](#).

2. Community implements adopted floodplain management measures.

3. FEMA arranges for periodic community assistance visits with local officials to provide technical assistance regarding complying with NFIP floodplain management requirements.

4. Local officials may request flood map updates as needed. FEMA evaluates requests, encourages cost-sharing, and issues revised maps as priorities dictate.

Source for This Publication

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Federal Emergency Management Agency, Access on the Web at: <http://www.fema.gov/library/viewRecord.do?id=3005>

Table 2. Regular Program Flood Insurance Coverage Limits

	Building	Contents
Single family dwelling	250,000	100,000
Other residential	250,000	100,000
Non-residential	500,000	500,000